

**City Council of the City of New Castle**  
**Public Hearing at Town Hall**  
**201 Delaware Street – New Castle**  
**Wednesday – October 30, 2013 – 6:30 p.m.**

**Call to order:** 6:30 pm

**Roll Call:**

Councilperson Megginson  
Councilperson Cochran  
Council President Barthel  
Councilperson Petty  
Councilperson Vannucci

**Also present:**

Daniel Losco, City Solicitor

**Public hearing on Ordinance No. 492 to amend Chapter 64, Section 64-1** relating to the disposal of surplus real property.

The second reading of Ordinance No.492 was completed by President Barthel.

Mrs. Judie Baldini, 419 South Street asked for clarification on which properties the City owns now that would be affected by this change.

President Barthel stated that right now there was one property on Young Street and one on Clark Street. There is a list of others that are pending, but not currently owned by the City.

Ms. Baldini asked if the two properties that are owned by the City are the ones of immediate concern.

Mr. Losco stated that all the properties are a concern, but the two the City owns now are in such a state of disrepair that it was difficult to even get insurance for the structures. Adding that these are properties that will be difficult to sell, and the City is questioning if it is feasible to take the time to put the property out for public bid.

After the City has the appraisal in hand, as required by the ordinance, the value will be public knowledge, so there could be no “sweetheart” deals, as it will all take place in public meetings. These types of properties will likely go to investment firms who will use their money to fix up the property, and then sell it.

President Barthel stated that the list of properties is long, and the City does not want to hold onto the properties any longer than absolutely necessary, the best case scenario is that the properties go to sheriff sale, but if they do not sell, we need a way to dispose of them as soon as possible, and not have a lot of unsold properties that the City has to pay to insure and bring or keep up to

code. The City will try to deal with the properties that have the most urgent needs and are the biggest problem to the neighborhoods where they are located.

Mr. Losco added that when you add up the costs associated with these properties, such as title searches, Sheriff's fees, auctioneers fees, insurance, fines, and lawyers' fees. All of these are paid by the City.

The question was raised if the appraisal was done before or after the property was offered to the Trustees and MSC. President Barthel said that the appraisal was done after.

Mr. Losco added that even though we offer the property to those two entities first, the next step is still to get an appraisal.

President Barthel added that the City is trying to streamline the process, and would be trying to do the appraisal simultaneously with offering the property to the Trustees or MSC. That way if they are interested in the property the City would have a market value.

Councilperson Vannucci asked if the City would be able to go to a contractor and see what they would offer for the houses.

President Barthel said it would be offered through a realtor or the auction process. But if someone was interested they would submit an offer for the property.

Mr. Losco stated at that point in the process there would be an appraisal in place, and the offer could be considered. Other factors would be taken into consideration, for example, if a house has been on the market for a year, you would probably take less than the appraised value.

Mr. Losco added that the terms and conditions are up to Council. For example, if you had someone offer you \$5,000.00 on a property appraised for \$7,500.00 you could have an arrangement where you sold for the \$5,000.00 stating that if they sold the property above an agreed upon threshold, the City might get a percentage of the final selling price to offset the advantage price that bought the property for.

Another situation the City might consider is someone who might not have the down payment, the City might consider selling the property but holding the deed. The person would have to insure the property, and move forward with renovations, and when the property sold, the City would get their payment then.

President Barthel said the City is looking to be as creative as we can; we need people to think outside the box to bring these properties back to life.

**Motion to adjourn at 6:50 p.m.** by Councilperson Vannucci, seconded by Councilperson Megginson, and passed unanimously.

Respectfully submitted,

Kimberly Burgmuller